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UNCLAS SECTION 01 OF 04 CAPE TOWN 000145

AF/S FOR RMARBURG AND MJAMES

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SUBJECT: STATE OF THE NATION DEBATE

¶1. (U) The State of the Nation Debate was concluded in Parliament on June 9, 2009 with President Zuma responding to the issues raised by the various opposition parties regarding his address last week. In his earlier State of the Nation Address Zuma placed emphasis on poverty alleviation, improved education, healthcare, employment and South Africa's response to the global economic crisis. He also promised to hold Cabinet ministers accountable through established targets and output measures and promised to move towards a more interactive government, with the Presidency taking the lead. The debate, which was opened by Zuma on June 4, 2009, offers the opposition the once annual opportunity to take issue with the President and his proposed policies and to hear his response.

¶2. (U) The official opposition, the Democratic Alliance, stated that although the President's address was positive and acknowledged that South Africans needed to be optimistic in these difficult economic times, they also need to be realistic about the economic facts. DA spokesman Ryan Coetzee said that Zuma's speech made it clear "that the government and the DA have significantly different views on how best to approach economic policy in the years ahead." He said that the state was at the centre of the government's strategy with the promise of increased social spending, the effect of which will be to drive up costs for the taxpayer at a time when few could afford the increased expenditure. Parliamentary leader, Athol Trollip, said Zuma's words must translate into action, and questioned how Zuma could promise action against corruption and appoint MPs implicated in the Travelgate scandal. (Note: A number of travel agencies and parliamentarians are under investigation for their alleged abuse of parliamentary travel vouchers. End Note) He was also critical of the proposed National Health Insurance (NHI) scheme, as the DA felt that it was important to first "get the basics right" and appoint competent managers at all levels of the healthcare system. He expressed

concern that there has been no formal public participation or scrutiny with regards to the NHI. He stated that "a policy of such significant public importance demands extensive consultation. It is also of great concern that while doctors are not being paid we do not know how much all these extra layers of bureaucracy are going to cost us". The DA called upon the government to provide a costing report for the proposed NHI and for the current crisis regarding the working conditions and salaries of doctors to be resolved. DA spokesperson for crime and justice, Dianne Kohler-Barnard, criticized Zuma's address saying it was vague on curbing crime and questioned how renaming a department would "contribute to the reduction of serious and violent crimes". She said the government lacked a clear strategy for dealing with crime and called upon Zuma to provide leadership and a clear path forward. Trollip concluded the DA's debate by commending Zuma for admitting "grave challenges when it comes to issues like HIV/Aids and our skills deficit." He said that in doing so Zuma had distinguished himself from Mbeki, who often denied the extent or threat posed by the HIV/Aids crises.

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13. (U) Parliament's number two opposition party, the Congress of the People (COPE), called on Zuma to spell out in more detail his plans to tackle the economic recession. Party leader Mvume Dandala said Zuma's address raised questions that "yearn for answers", and said South Africans have been left guessing how the government will deal with the recession. Dandala said Zuma needs to set out a program that will seek to inspire confidence among ordinary people as well as provide clear guidelines on how South Africa will weather the storm. "We would like to hear more about the government's practical intervention plans as a response to this recession. A clear statement in this regard needs to be made. The investor community cannot be left guessing," he said. He described the speech as a "wish list" and said that the President had not given a clear indication of how he planned to deliver on the promises the ANC had made during the election campaign. "This is not the time to ask people what they want," he said, "you have to deliver." COPE MP Hilda Ndude called on Zuma to stamp out the "hooliganism" within the majority party and said COPE would "hold the President responsible" for ensuring that the Constitution was upheld at all times and that everyone acted accordingly. She said that COPE demands that government delivers on its promise to deal with crime efficiently and effectively and called for immediate action and results. She praised the President for his call to all South Africans to join in the fight against crime, but said she was concerned about a lack of clear strategy

in this regard. She was heckled by ANC MPs during the debate when she said Parliament should never again allow a president to be removed from office as former president Thabo Mbeki was last year.

14. (U) The President of the Inkatha Freedom Party, Prince Mangosuthu

Buthelezi, welcomed the 'broad thrust' of President Zuma's state of the nation address, although "in language and tone it seemed to indicate a perceptible shift to the left." Buthelezi focused on the economic crisis and called for the rand to be devalued immediately, predicting that the economic crisis would get worse. He said that having a strong Rand is "nothing but ill-conceived national pride." He noted that the South African economy is not reliant on imports and the country produced enough to ensure that the devaluation of the Rand would not necessarily affect the flow of goods and services consumed by the lower and middle classes. Buthelezi concluded by saying that Zuma's address was "an expression of intent", rather than a detailed program of action. He said Zuma had made many pledges that would need to be carefully monitored and evaluated. Buthelezi, however, praised the government's intention to uplift the poor and supported plans to extend the Expanded Public Works Program which the government intends to use to help create thousands of jobs.

15. (U) Other opposition parties participated in the debate. The Independent Democrats leader Patricia De Lille said that although the list of goals and priorities identified by the President are laudable, South Africans have heard some of them before and the key issue will be implementation. She said that

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without implementation and monitoring the best plans will come to nothing and she demanded that the President provide details about how the new National Planning Commission housed in the Presidency will work. She praised the President on his announcement that there is going to be monitoring and evaluation of the performance of Ministers and called upon him to fire incompetent Ministers. Bantu Holomisa of the United Democratic Movement asked Zuma to convene a round table meeting of all political parties to debate critical issues and find local solutions for the impact of the economic crises. The Freedom Front Plus welcomed Zuma's proposals to reduce red-tape for small business enterprises and to make it easier to do business in South Africa but demanded that South Africa have a professional non-political public service where "competence and nothing else determines one's position and promotion".

16. (U) In his reply to the State of the Nation debate Zuma said that he would

not abandon the existing economic policies that have guided South Africa the last 17 years. He shared opposition parties concern over the current economic climate saying "'we agree with a number of speakers about the seriousness of the global economic crisis". He reassured Parliament that he would not deviate from South Africa's existing "prudent" macro-economic policies, despite his promises to create 500,000 jobs by the end of the year. He also insisted that government had no plans to undertake corporate bailouts, but pledged to help companies find financing from other sources. Zuma also sought to appease critics over his call to transform of the judiciary, saying he wanted to bring a more diverse group of judges to the bench but would not infringe on the court's independence. "When we speak about the pace of transformation in the judiciary, honorable members, it is not because we want to infringe on its independence, which we uphold and will always defend", he said. The President described the debate as being both instructive and encouraging, saying that it demonstrated that all parties were earnest in their commitment to South Africa and to harmonious relations amongst its people. Regardless of their differences as political parties, Zuma said that they all have a common goal, which is to make South Africa a great country.

17. (SBU) Comment: Post notes that election campaign goals of the ANC and other leading opposition parties focused on concern for the same set of issues - poverty, education, health, crime, and development. The ANC, however, ran on the thesis that they would do better than the Mbeki government did in delivering essential services to all who need them. Regardless of the goals and resources on hand, the uncertainty of the international financial crisis will represent the primary constraint to any government action on these priorities. In this sense, the opposition parties have a good basis for skepticism regarding how campaign promises will be translated into program implementation; and that the emphasis on government as the source of economic stability and progress gives short shrift to the role of the private sector. The opposition call for detailed policies and implementation plans

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though reasonable, are unlikely to be fulfilled; primarily because there is yet to emerge a broad consensus within the ANC regarding specifically how they plan to grow the economy, generate sustainable jobs, reduce poverty, provide anti-retrovirals to those who need them, and precisely how the government will address the crime problem. Supporters of the ANC are satisfied with the electoral victory and care deeply about these priority areas of policy. Nevertheless, they do not expect quick solutions or clear policy

guidance on
these persistent problems in the near term.